

## General Terms and Conditions

### 1. DEFINITIONS

If not otherwise defined in the Agreement, the following definitions govern the purchase of Goods or Services by the Buyer from the Seller.

**Agreement** shall mean the Corporate Purchasing Agreement, if any, entered into between Buyer and Seller.

**Buyer** shall mean Archrock Services, L.P., who is contracting to buy Goods or Services.

**Buyer's Authorized Representative** shall mean a person with the authority to enter into, administer, and/or terminate Orders and make related determinations and findings.

**Goods** shall mean property described in the Order, except land or interest in land.

**Order** shall mean a purchase order issued pursuant to the Agreement and these General Terms and Conditions.

**Seller** shall mean the party identified on the face of the Order and who contracts to sell Goods or Services.

**Services** shall mean services to be furnished under the terms and conditions of the Order.

### 2. APPLICABILITY OF GENERAL TERMS AND CONDITIONS

In the event of a conflict between these General Terms and Conditions, the provisions of the Order, and the Agreement, the Agreement shall govern. In the event of a conflict between these General Terms and Conditions and the provisions of the Order, the Order shall govern. The foregoing notwithstanding, if an overriding corporate agreement or similar document has been executed by Buyer and Seller, the terms contained in such agreement shall prevail to the extent there is a conflict between those terms, these General Terms and Conditions and the Order.

### 3. ACCEPTANCE OF THE GENERAL TERMS AND CONDITIONS

The Order becomes the exclusive agreement between the parties for the Goods or Services contracted, subject to the Agreement, these General Terms and Conditions and an overriding corporate agreement or similar document executed by Buyer and Seller, if any. Any of the following shall constitute Seller's unqualified acceptance of these General Terms and Conditions and the Order: (a) written acknowledgment; (b) furnishing of any Goods under the Order; (c) commencement of performance of Services; or (d) acceptance of payment. Additional or different terms or conditions proposed by Seller shall be void and of no effect unless incorporated into an Order in writing and signed by both Buyer and Seller.

### 4. PACKING AND SHIPMENT

Seller shall comply with the routing and shipping instructions provided by the Order. Goods shall be prepared for shipment and packaged to prevent damage, deterioration, and provide optimum protection during shipment, internal handling, and storage. Shipments shall be prepared to conform to the carrier's requirements. All shipments exceeding 200 lbs. shall be packaged on pallets. Seller shall comply with any other special packaging requirements identified in the Order.

Markings on shipping containers shall be clearly legible from a distance of 36 inches. The Seller may mark by stencil, rubber stamp, or lacquer over a coated gummed label. Each package shall be marked with the Buyer Order number and number of packages included in the shipment, and the package containing the packing list must be clearly marked as such.

The packaging, marking, handling and shipment of hazardous and dangerous materials shall conform to all international, Federal, State, and local laws and regulations.

Goods shall be classified for freight purposes to obtain the lowest appropriate customs and duty rates.

Seller shall make no declaration concerning value of Goods shipped except on Goods where tariff rating is dependent upon released or declared value, in which event the Seller shall release or declare such value at the maximum value within the lowest rating.

### 5. RISK OF LOSS; TITLE

The risk of loss and title to the Goods purchased hereunder shall pass from Seller to Buyer at the delivery point specified in the Order, and Seller shall deliver the Goods to that point at Seller's cost.

Seller assumes the following risks: (a) all risks of loss or damage to all Goods, work in process, materials and other things until delivery thereof as herein provided; (b) all risks of loss or damage to third persons and their property until delivery of all the Goods as herein provided; (c) all risks of loss or damage to any property received by Seller from or held by Seller or its supplier for the account of Buyer, until such property has been delivered to Buyer or its customers as the case may be; and (d) all risks of loss or damage to any of the Goods or part thereof rejected by Buyer, from the time of shipment thereof to Seller until redelivery thereof to Buyer. Any patterns, dies, molds, jigs and fixtures furnished to Seller by Buyer, or specifically paid for by Buyer, shall be the property of Buyer and subject to removal by Buyer upon completion of the Order, and shall be used only in filling Buyer's Order and held by Seller at its sole risk.

### 6. DELIVERY AND DELAYS

Delivery schedules shall be established in the Order. Delivery according to the schedule is of the essence. Whenever Seller has knowledge of any actual or anticipated delays in performance or delivery, for any reason, Seller shall immediately notify the Buyer's Authorized Representative, in writing, as to the cause or causes, when on-schedule status will be achieved, and at Seller's expense, shall take reasonable action necessary to meet schedules or to recover to the

maximum extent possible any delay in meeting schedules as set forth in the Order. Such reasonable action by the Seller shall include but not be limited to shipment via expedited routing and carrier.

The Seller shall not be charged with any failure or delay in making deliveries when such failure or delay is due to any cause beyond the control, without fault or negligence, of the Seller (as further defined below), provided Seller gives Buyer's Authorized Representative prompt notice, in writing, when it appears that such cause will delay deliveries under the Order. "Causes beyond the control, without fault or negligence," of the Seller are defined as acts of God, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather. Buyer retains the right, within the Termination provisions established herein, to cancel, by written notice, the portions of the Order affected by delays.

Buyer may require Seller to pay the Buyer liquidated damages as set forth in the Order, and Buyer and Seller hereby agree that such sums are difficult to calculate at the time of signing these General Terms and Conditions or any applicable Order and such sums are a fair and accurate reflection of actual damages and shall not be construed as a penalty. Buyer shall be entitled to recover such liquidated damages from Seller as an offset against any sums due to Seller, or, in the event of non-performance, as a liquidated claim against Seller.

### CHANGE ORDERS

7. Buyer's Authorized Representative may make changes within the general scope of the Order in any of the following: (a) technical requirements, purchase descriptions, specifications, statement of work, drawings, or designs; (b) shipment or packaging methods; or (c) place of delivery, inspection, or acceptance. If such changes cause an increase or decrease in the cost or the time required for performance for any part of the Goods or Services under the Order, whether or not changed by a change order, the Buyer shall make an equitable adjustment in the price, schedule, or other affected terms of the Order, and the Order shall be modified to reflect such changes. The Seller must assert its right, in writing to the Buyer's Authorized Representative, to an adjustment within 15 days from the receipt of a change order. Seller agrees that its failure to submit such claim or claims within the applicable time period shall constitute a waiver thereof, unless Seller requests in writing, prior to the expiration of the applicable time period, to the Buyer's Authorized Representative that a time extension for filing its claim be granted. Extensions, if approved, shall be effective only if authorized in writing by the Buyer's Authorized Representative.

Buyer's engineering and technical personnel may, from time to time, render assistance to Seller concerning the Goods or Services to be furnished under the Order; however, no change will be binding unless issued in writing by the Buyer's Authorized Representative.

Nothing contained in this clause shall relieve the Seller from proceeding, without delay, in the performance of the Order, as changed.

### WARRANTY

8. Notwithstanding inspection or acceptance by Buyer, and unless otherwise agreed to in the Order, Seller warrants that Goods and Services (including any corrected or replaced Goods as provided for herein) (a) conform in all respects to the requirements of the Order; (b) are free from defects in materials and/or workmanship; and (c) to the extent not manufactured pursuant to detailed designs prepared by the Buyer and incorporated as part of the Order, are free from defects in design and fit for their intended purposes. With respect to the Services specifically, Seller warrants that any Services are provided in a good and workmanlike manner. With respect to the Goods specifically, Seller warrants that any Goods are (a) new (not remanufactured) and are not of such age or so deteriorated as to impair their usefulness or safety; and (b) are free and clear of security interests, liens and claims and component parts of the Order have been paid for. **With respect to the foregoing, Seller will indemnify and hold Buyer harmless from and against any and all claims made on account of such labor, material or component parts.** In the event of breach of warranty, Buyer may (a) return defective Goods for credit, (b) return the defective Goods to the Seller's facility for correction, replacement, and return, or (c) require the Seller to correct defective workmanship, Services and/or replace materials. When Goods are returned for credit, correction or replacement, all transportation charges and responsibility for the Goods while in transit shall be borne by the Seller. Goods returned for correction or replacement shall be subject to the provisions of this clause and the clause herein entitled "Quality Control, Inspection, and Acceptance" to the same extent as Goods initially delivered. When the Seller is required to correct defective workmanship, Services and/or replace materials, all labor, transportation, and lodging expenses shall be borne by the Seller. Seller further warrants that neither any Good nor any part of any Good or process utilized in performance of the Order infringes or will infringe any patent, trademark, copyright, trade secret or other proprietary right of any person or entity. **Seller shall defend, indemnify, and hold Buyer harmless from any loss, cost, damage, expense (including attorneys' fees), or liability that may be incurred on account of infringement or alleged infringement of patent rights, trademarks, copyrights, trade secrets or other proprietary rights of any person or entity in the performance of the Order.** The foregoing does not apply to any alleged infringement resulting from Seller's compliance with detailed designs/specifications specifically directed and furnished by Buyer.

Supplemental warranty requirements, if any, shall be contained in the Order. There are no warranties, express or implied,

made by Seller, except those set forth herein and/or contained in the Order.

The warranty provisions contained herein and in the Order, if any, shall survive termination, cancellation, or expiration of the Order. All warranties shall run to Buyer, its successors, assignees, and customers.

9.

#### QUALITY CONTROL, INSPECTION, AND ACCEPTANCE

**(a) Quality Control-** The Seller shall provide and maintain a quality control system acceptable to Buyer. Seller's quality control, inspection systems, and manufacturing processes are subject to review, verification, and analysis by Buyer representatives.

**(b) Inspection-** Goods ordered may require special inspection, verification, or testing by Buyer representatives during the in process period or prior to shipment. The requirement for special inspection, verification, or testing will be identified in the Order. When special inspection, verification, or testing requirements are identified, Seller shall provide and shall require lower-tier suppliers to provide all reasonable facilities and assistance for the safety and convenience of the Buyer representatives to complete performance of their duties.

**(c) Rejection-** Goods or Services received and not in compliance with the requirements of these General Terms and Conditions or the Order shall be dispositioned by the Buyer's Authorized Representative. The Buyer's Authorized Representative will promptly notify the Seller of any rejections and the basis therefore. Without limiting any other rights the Buyer may have and at the Buyer's option: (i) Buyer may return the Goods to the Seller, at Seller's expense; (ii) Buyer may hold the Goods at Seller's expense, subject to Seller's disposition instructions being received within a reasonable time; (iii) Buyer may elect to accept the Goods at an equitable reduction in price; (iv) Buyer may require the Seller to promptly replace the Goods; or (v) Buyer may require the Seller to provide on-site technical assistance/corrective action, at no additional charge to the Buyer. Previously rejected Goods reworked to specification or replaced shall not be retendered to Buyer, unless Buyer has consented to such retender. Seller shall promptly refund any payments made for Goods or Services provided and not accepted upon receipt of notice thereof.

**(d) Acceptance-** Unless otherwise specified in the Order, final acceptance by Buyer will be at point of destination. Buyer witnessing or participating in, special inspection, verification, or testing requirements shall not constitute final acceptance, nor shall such witnessing or participating affect the Seller's total responsibility for quality and reliability of the product and for meeting all of the requirements of the Order.

#### 10. CHOICE OF LAW

These General Terms and Conditions and any Order shall be construed in accordance with and governed by the laws of the State of Texas, U.S.A. excepting there from any conflicts of laws provisions. The Parties agree to the exclusive jurisdiction of the State and Federal courts located in Harris County, Texas. The Parties agree that neither these General Terms and Conditions nor the Order is subject to nor shall either be interpreted in accordance with the United Nations Convention on Contracts for the International Sale of Goods.

#### 11. INDEMNIFICATION AND SURVIVAL OF GENERAL TERMS AND CONDITIONS

Seller shall, at its expense, defend, indemnify, and hold harmless Buyer, its officers, employees, and agents from any claim, suit, loss, cost, damage, expense (including attorneys' fees), or liability by reason of property damage, injury, death, to any person, including Seller's employees, of whatsoever nature or kind, arising out of, as a result of, or in connection with performance of the Order, in whole or in part by the actions or omissions of Seller, its officers, employees, agents, or subcontractors at any tier.

Seller further agrees that it shall indemnify and hold harmless Buyer, its officers, employees, and agents from any and all claims, liabilities, damages, cost, and expenses, including without limitation, attorneys' fees, arising from a Seller violation in the performance of the Order.

The provisions of these General Terms and Conditions shall survive termination, cancellation, or expiration of the Order.

#### 12. STOP WORK ORDER

The Buyer may, at anytime, by written order to the Seller, require the Seller to stop all, or any part, of the work called for by the Order for a period of 90 days after the Order is delivered to the Seller, and for any further period to which the parties may agree. The Order shall be specifically identified as a stopwork order issued under this clause. Upon receipt of the Order, the Seller shall acknowledge receipt and immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the Order during the period of work stoppage. Within a period of 90 days after a stopwork order is delivered to the Seller, or within any extension of that period to which the parties shall have agreed, the Buyer shall either (a) cancel the stopwork order; or (b) terminate the work covered by the Order as provided in the Termination provisions below.

If a stopwork order issued under this clause is canceled or the period of the order or any extension thereof expires, the Seller shall resume work. The Buyer shall make an equitable adjustment in the delivery schedule or Order price, or both, and the Order shall be modified, in writing, accordingly, if (a) the stopwork order results in an increase in the time required for, or in the Seller's cost properly allocable to, the performance of any part of the Order; and (b) the Seller asserts it's right to the adjustment within 15 days after the end of the period of work stoppage.

If a stopwork order is not canceled and the work covered by the order is terminated for the convenience of the Buyer,

the Buyer shall pay the Seller as provided below under "Termination for Convenience."

If a stopwork order is not canceled and the work covered by the order is terminated for default, the Buyer shall pay the Seller as provided below under "Termination for Default."

#### 13. TERMINATION; WAIVER OF CONSEQUENTIAL DAMAGES

**(a) Termination for Convenience-** The Buyer reserves the right to terminate the Order or any part thereof, for its sole convenience. In the event of such termination, the Seller shall immediately stop all work hereunder and shall immediately cause any and all of its lower-tier suppliers to cease work. Subject to the terms of the Order, the Seller shall be paid a percentage of the Order price reflecting the percentage of the work performed prior to the termination notice, plus reasonable charges the Seller can demonstrate to the satisfaction of the Buyer, have resulted from the termination. **Provided; however, the Buyer shall in no event (under this clause, the Agreement, these General Terms and Conditions or any Order) be liable to Seller for any indirect, special, punitive, exemplary or consequential damages or losses, including specifically lost profits.** The Seller shall not be paid for any work performed or costs incurred which reasonably could have been avoided.

**(b) Termination for Default-** The Buyer may terminate the Order or any part thereof, for cause in the event of any default by the Seller, or if the Seller fails to comply with these General Terms and Conditions or any Order terms and conditions, or fails to provide the Buyer, upon request, with adequate assurances of future performance, the adequacy of which shall be at the sole discretion of the Buyer. In the event of termination for default, the Buyer shall not be liable to the Seller for any amount for Goods or Services not accepted, and the Seller shall be liable to the Buyer for any and all rights and remedies provided by law.

#### 14. ASSIGNMENT

No assignment of any rights, including rights to money due or to become due hereunder, and no delegation of any duties arising under these General Terms and Conditions or any Order shall be binding upon Buyer until Buyer's written consent is obtained.

#### 15. WAIVERS AND ENFORCEMENT

Any and all failures, delays, or forbearance of Buyer in insisting upon or enforcing at anytime or times any of the provisions of the Order or to exercise any rights or remedies under the Order shall not be construed as a waiver or relinquishment of any such provisions, rights, or remedies in those or any other instances; rather, the same shall be and remain in full force and effect. Further, if any provision of these General Terms and Conditions or the Order is or becomes void or unenforceable by law, the remainder shall be valid and enforceable.

#### 16. COMPLIANCE WITH FEDERAL, STATE, AND LOCAL LAW

In the performance of the Order, Seller agrees to comply with all applicable Federal, state, and local laws, ordinances, rules, regulations and orders including all applicable environmental laws, ordinances, rules, regulations and orders. **Seller agrees to indemnify Buyer against any loss, cost, damage, or liability by reason of Seller's violation of this clause and shall furnish Buyer such evidence of compliance as Buyer may require at any time.**

#### 17. INVOICES AND PAYMENT

Prices in the Order are firm, unless a change order or other adjustment is provided pursuant to these General Terms and Conditions. A separate invoice shall be rendered for each shipment or upon completion of work. Unless otherwise authorized in the Order, no invoices shall be rendered prior to the shipment of Goods or completion of the Services ordered. Payment due dates, including discount periods, will be computed from date of receipt of Goods, completion of the Services ordered, or date of a correct invoice at Buyer's office (whichever is later). For purposes of computing discounts, the date of correct invoice at Buyer's office is defined as the date the Buyer enters the invoice into its enterprise resource planning system. Payment terms shall be stated in each Order. Invoices shall reference Order number, quantity, description, line item price and extended price. All invoices shall be rendered with any required supporting documents. Shipping cost, if authorized, shall be invoiced as a separate line item on the invoice.

Seller's monies due or to become due under any Order are subject to deduction by Buyer for any setoff, counterclaim or payment of any obligation of Seller to Buyer or any other parties, including Seller's subcontractors, arising out of this or any other Order between Buyer and Seller. If Seller subcontracts any of the work under an Order, Buyer may withhold payment to Seller without incurring any penalty or interest charges until Seller presents an affidavit that all such subcontractors have been paid in full.

#### 18. CUMULATIVE REMEDIES

The rights and remedies herein reserved to Buyer shall be cumulative and additional to any other or further rights and remedies provided in law or equity

#### 19. CONFIDENTIAL INFORMATION

Seller agrees not to make any use of data, designs, drawings, specifications and other information furnished to it by the Buyer, including Products (defined below), except for the performance of the Order, and Seller further agrees not to disclose such data, designs, drawings, specifications and other information to others except for the performance of the Order and under similar restrictions against use and disclosure. This provision shall survive termination, cancellation, or

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expiration of the Order for a period of five years. Upon completion or termination of the Order, Seller shall return to Buyer all data, designs, drawings, specifications, Products and other information, including copies made by Seller, without any delay. The Order is confidential between Buyer and Seller and is agreed by Seller that none of the details connected herewith shall be published or disclosed to any third party without Buyer's prior written consent.

**20. RESPONSIBILITY FOR PROPERTY**

All Buyer furnished property shall be identified in the Order.

**(a) Intellectual Property** -This clause applies if Buyer furnished property includes intellectual property, hereinafter referred to as "Products." Buyer represents that the Products are the proprietary information and trade secrets of Buyer. Title and full ownership rights shall remain with Buyer during the full term of the Order. Seller shall use the Products for the period and purpose identified in the Order.

**(b) Property Furnished for Repair or Other Services**-This clause shall govern with respect to any Buyer property furnished to the Seller for repair or other Services that are to be returned to the Buyer. Such property hereinafter referred to as "Buyer property furnished for servicing." The Seller shall maintain adequate records and procedures to ensure that the Buyer property furnished for servicing can be readily accounted for and identified at all times while in the custody or possession of the Seller or Seller's lower-tier supplier. The Seller shall be liable for any loss or destruction of or damage to the Buyer property furnished for servicing (i) caused by the Seller's failure to exercise such care and diligence as a reasonable prudent owner of similar property would exercise under similar circumstances, or (ii) sustained while the property is being worked upon and directly resulting from that work, including, but not limited to, any repairing, adjusting, inspecting, servicing, or maintenance operation. **The Seller shall hold the Buyer harmless and shall indemnify the Buyer against all claims for injury to persons or damage to property of the Seller or others arising from the Seller's possession or use of the Buyer property furnished for servicing or arising from the presence of that property on the Seller's premises or property.**

**(c) General, Buyer Furnished Property**-Seller shall be liable for any loss or damage to Buyer furnished property. Seller shall use the property for the period and purpose identified in the Order. Seller shall be responsible for returning any such property in as good condition as when received from the Buyer, except for reasonable wear and tear or for the utilization of it in accordance with the provisions of the Order. Title to all Buyer furnished property shall remain with the Buyer.

**21. PUBLICITY**

Seller shall not, and shall require all lower-tier suppliers not to, cause or permit release of any publicity, advertisement, news release, public announcement, or denial or confirmation of the same, in whatever form regarding any aspect of the Order, without Buyer's prior written approval.

**22. INSURANCE**

If performance of work under the Order requires the Seller to enter upon property controlled, owned, or operated by the Buyer, the Seller shall secure and maintain the following described insurance coverage at Seller's expense. All insurance policies procured and maintained by Seller must be written with insurance companies licensed to do business in the state where the Goods or Services are being provided pursuant to the applicable Order, and carry a rating of A-VIII or better as shown in the most current issue of A.M. Best's Key Rating Guide, under forms of policies satisfactory to Buyer, in the kind and the amounts set forth below:

(a) Worker's Compensation Insurance as required by applicable laws of the jurisdiction in which Goods or Services are provided under the Order, including occupational disease coverage, and Employer's Liability Insurance with a minimum limit of \$1,000,000 per occurrence protecting Seller against common law liability, in the absence of statutory liability, for employee bodily injury arising out of the master-servant relationship, and having the following endorsements wherever necessary for proper coverage: (i) to provide against liability under the U.S. Longshoreman's and Harbor Workers' Compensation Act, as amended, including protection with respect to this act's extension under the Outer Continental Shelf Land Act; (ii) to provide maritime operations coverage, including admiralty benefits, Jones Act coverage, Death on the High Seas Act coverage, Maritime Employer's Liability coverage, Maritime Employer's Liability coverage, including wages, maintenance and transportation, Master and Crews coverage, and coverage under the general maritime law; and (iii) to provide that a claim "in rem" shall be treated as a claim against the employer. Sole proprietorships with no employees falling within the jurisdiction of any statutory worker's compensation act must so certify to Buyer in writing.

(b) Commercial General Liability Insurance of at least \$1,000,000 per occurrence-Bodily Injury/Property Damage/Combined Single Limit.

(c) Commercial Automobile Liability Insurance covering owned, non-owned and hired automotive equipment with minimum limits of \$1,000,000 combined Single Limit for Bodily Injury and Property Damage.

The insurance requirements as stated in a, b, and c, above, shall contain a provision worded as follows: "The insurance company waives any right of subrogation against Buyer which may arise by reason of any payment under the policy." Buyer shall be named as additional insured. All policies shall require 30 days prior written notice of cancellation or reduction in limits shall be provided to Buyer.

**23. INDEPENDENT CONTRACTOR**

In the performance of work hereunder, the Seller shall act solely as an independent contractor and not as an agent or employee of Buyer. The Seller has no power or authority to act for, represent, or bind Buyer or any company affiliated with Buyer in any manner.

**24. AUDIT RIGHTS**

Seller shall maintain a true and correct set of books and records pertaining to the Order for a period of not less than two calendar years following the calendar year in which the final invoice for the Order was sent. This two-year period is not a limitation on Buyer's right to an audit.

**25. CONDUCT OF AUDIT**

At the Buyer's expense, Buyer or any representative authorized by Buyer may inspect and audit any and all books and records of Seller pertaining to the Goods and Services provided under any Order. Such inspection and audit shall be conducted at Seller's offices during normal business hours. Seller will make a good faith effort to include similar audit provisions in its subcontracts and sub-vendor agreements. Seller shall promptly reimburse Buyer for any overpayments discovered in the audit.

**26. NOTICE**

Any notice required to be given pursuant to the Agreement or these General Terms and Conditions shall be sufficient if sent to the appropriate address set forth in the Agreement and shall be deemed effectively given and received when: (a) if by overnight courier, one business day (as defined below) after the date deposited with a recognized carrier of overnight mail, with all freight or other charges prepaid; or (b) if mailed, three business days after the date when sent by registered or certified mail, return receipt requested, postage prepaid. For purposes of this section, "business day" means any day but Saturday, Sunday or a federal holiday.

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